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1 WANGER JONES HELSLEY, PC
2 Riley C. Walter #91839
3 265 East River Park Circle, Ste. 310
Fresno, CA 93720
4 Telephone: (559) 233-4800
Facsimile: (559) 233-9330
5 E-mail: rwalter@wjhattorneys.com

6 Chapter 9 Counsel for Debtor Tulare Local Healthcare District

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8 IN THE UNITED STATES BANKRUPTCY COURT

9 EASTERN DISTRICT OF CALIFORNIA

10 FRESNO DIVISION

11 In re

CASE NO. 17-13797

12 TULARE LOCAL HEALTHCARE
13 DISTRICT, dba TULARE REGIONAL
MEDICAL CENTER,

Chapter 9

14 Debtor.

DC No.: WJH-1

15 Tax ID #: 94-6002897

16 Address: 869 N. Cherry Street
17 Tulare, CA 93274

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19 DECLARATION OF DANIEL R. HECKATHORNE IN SUPPORT OF DEBTOR'S
20 OBJECTION TO PROOF OF CLAIM NUMBER 138 (AS AMENDED) IN THE AMOUNT
\$598,668.90 FILED BY THE DEPARTMENT OF HEALTH CARE SERVICES
21 ON MARCH 7, 2019
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DECLARATION OF DANIEL R. HECKATHORNE

2 1. My name is Daniel R. Heckathorne. I am the interim Chief Financial
3 Officer of the Tulare Local Healthcare District (the "District"). The Board of Directors
4 ("Board") of the District appointed me to the position of Interim Chief Financial Officer
5 at the meeting of the Board of Directors conducted on November 7, 2017, which was
6 documented in Resolution No. 855 signed by the Secretary of the Board on November
7 10, 2017. I am authorized to make this declaration on behalf of the District. If called
8 upon as a witness, I could and would competently testify to the facts set forth herein.

9 2. As the Interim Chief Financial Officer of the District, my duties include
10 overseeing accounting functions, budgets, financial risk management and financial
11 statements, as well as reporting on financial performance. I also oversee areas related
12 to patient accounting and revenue cycle management, cash management processes
13 including billing, collections, accounts receivable, accounts payable, and financial
14 reporting and month-end close processes, which includes payment and reconciliation
15 of Medicare and Medicaid (Medi-Cal) reimbursements. As part of those duties, I am
16 familiar with the District's business records related to my job duties. This declaration is
17 based on matters of my own personal knowledge or knowledge I have gained from a
18 review of the District's business records, which I believe have been maintained in the
19 ordinary course of the District's business and which were made at or near the time of
20 the acts or events recorded therein by, or from information transmitted by, a person
21 with knowledge of the acts or events who had personal knowledge of the event and
22 had or has a business duty to record such event accurately.

23 3. I have read and reviewed the Proof of Claim filed by the Department of
24 Health and Human Services ("DHS") in the amount of \$598,668.90 ("Claim"), a true
25 and correct copy of which is attached as Exhibit "A" to my declaration. Based on my
26 review of the Claim, it is my understanding that DHS asserts that it is owed the
27 following amounts: (1) \$282,659 for an overpayment for the period ending June 30,
28 2016, as set forth in the letter dated February 26, 2019 from Noridian Healthcare

1 Solutions, the Medicare Administrative Contractor ("Noridian"); (2) \$269,120.38 for an
2 overpayment for the period ending June 30, 2017, as set forth in a letter dated
3 February 9, 2018 from Noridian; (3) \$24,990 for an overpayment for the period ending
4 June 30, 2017; and (4) \$21,899.52 for overpayments under Medicare Part A for dates
5 of service between December 24, 2015 and October 24, 2017.

6 4. Based on my review of the District's book and records, I believe that the
7 District has submitted to Noridian all of the reports the District is required to submit as of
8 this date. Further, the District has satisfied the claim for the FYE June 30, 2016 by
9 placing the full \$282,659 into an escrow account with Noridian. The District has also
10 placed \$301,819.57 into an escrow account with Noridian for the FYE June 30, 2017,
11 however, I believe that after the District's bad debt claims are reviewed by Noridian, the
12 District will not owe DHS any money for this Claim and, instead, the DHS will owe the
13 District approximately \$205,121 for the FYE June 30, 2017.

14 I declare under penalty of perjury that the foregoing is true and correct.
15 Executed on June 26 2019.



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17 Daniel R. Heckathorne
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